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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE

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BOSTON, MASSACHUSETTS 02203

GA000310

October 13, 1970



Mr. William Bolger, Regional Director
Boston Postal Region
Post Office Department
Post Office and Court House Building
Boston, Massachusetts *DLC 02141*

Dear Mr. Bolger:

During a review of the Department of Labor's (Labor) wage determination procedures and methods under the Service Contract Act of 1965, relating to Star Route contracts, we discussed the following three matters with a member of your staff, the Manager, Highway Transportation Branch, and we brought the same information to your attention for your consideration at our exit conference. *A6C 00009*

1. Our review of the cost statement submitted by a Star Route contractor and other Post Office Department (POD) documents relating to Star Route number 04011, indicated that the contractor was paying a wage rate less than that called for by Labor's wage determination and that the bond cost had been overstated by the contractor. A Postal official on your staff said that these matters should have been noted by his staff in their review. The official telephoned the contractor's office to ascertain which wage rate the contractor was paying and he was told that the contractor was not paying the Labor wage determination rate.

The contractor stated that he provided a truck with the capacity called for by the POD's advertisement but its tonnage rating was 3 tons, instead of the applicable Labor wage determination for trucks of "over 4 tons". Since there was no wage determination for 3-ton trucks, the contractor believed that the wage determination did not apply in his case. The Post Office Department's Vehicle Requirements, under the Advertisement for Mail Service, POD Form 5435, specified only the cubic footage and not the tonnage of the type truck to be provided for such short-haul service.

We accordingly pointed out to the official that the Labor wage determination for short-haul routes are divided into classifications by tons. On the other hand, POD advertisements for mail service are divided into classifications by cubic foot capacity.

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